GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3151
ANSWERED ON:22.03.2002
PRODUCTION OF SUGAR
ASHOK NAMDEORAO MOHOL

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there is an increased level production of sugar during the last three consecutive seasons;

(b) if so, the details thereof;

(c) whether due to this high level production, there has been accumulation of stocks with the sugar mills;

(d) if so, the State-wise stocks of sugar held by the sugar mills as on December, 2001;

(e) whether due to such huge stock, sugar mills are facing lot of problems; and

(f) if so, the steps taken/being taken by the Union Government to solve the problems of sugar mills?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASHAD)

(a)&(b): Yes, Sir, there has been an increase in production of sugar during the last 3 sugar seasons, the details of which are given below:-

Sugar season	Sugar Production (In lakh tonnes)
1998-1999	154.52
1999-2000	181.93
2000-2001(Provisional)	184.21

(c)&(d): Due to high level of production during the last three consecutive sugar seasons, there has been increase in stocks held by the sugar factories. The state-wise stocks of sugar held by the sugar mills as on 31st December, 2001 is at Annexure-I.

(e)&(f): In order to tide over the problem of high stocks held by the sugar mills, the following measures have been taken:-

(i) The sugar meant for export has been exempted from the levy obligation.

(ii) The quantity of sugar released for export is treated as advance freesale release to be adjusted in the freesale stocks of the sugar factories after a period of 12 months, which has now been increased to 18 months.

(iii) The levy exemption on the quantity meant for commercial export of sugar, if it can not be claimed by the sugar factories out of the sugar season from which the sugar is released due to completion of their levy obligation, the same can be availed by the concerned sugar factories from their production of next sugar season.

(iv) DEPB at the rate of 5% of the F.O.B. value of export of sugar has been allowed.

(v) Hitherto only mill white sugar was being exported. It has been clarified that in addition to mill white sugar, the sugar mills/exporters can also export raw sugar under the present EXIM policy.

(vi) Government has decided to undertake legislation to amend the Sugar Development FundAct, 1982 to enable it, inter alia, to utilize the Sugar Development Fund for defrayingexpenditure on internal transport and freight charges to the sugar factories on export shipments of sugar.

(vii) State Governments of the major sugar producing states have been requested to give remission in purchase tax on sugarcane on the quantity of sugar exported.

(viii) Government is making judicious releases of sugar in the open market to maintain the prices at reasonable levels.

(ix) Further, keeping in view the requests received from the sugar factories for additional/ advance quota of freesale sugar for clearing cane price dues and storage problem, the Government has allowed them to sell upto 10% of their quarterly quota over and above their normal quota within the quarter.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (c)&(d) OF UNSTARRED QUESTION NO. 3151 DUE FOR ANSWER (03-2002 IN THE LOK SABHA.

STATE-WISE CLOSING STOCKS OF SUGAR FOR THE WEEK ENDING 31ST DECEMBER, 2001 FOR THE SEASON 2001-2002.

(PROVISIONAL)
(FIGURES IN TONNES)

SL.NO.	STATE	2001-2002
1.	PUNJAB	433814
2.	HARYANA	292791
3.	RAJASTHAN	8055
4.	UTTARANCHAL	297164
5.	UTTAR PRADESH	2325624
6.	MADHYA PRADESH	45252
7	GUJARAT	760615
8.	MAHARASHTRA	4589642
9.	BIHAR	153769
10.	ASSAM	1576
11.	ANDHRA PRADESH	680522
12.	KARNATAKA	967906
13.	TAMIL NADU	615833
14.	KERALA	6862
15.	ORISSA	3857
16.	WEST BENGAL	625
17.	PONDICHERRY	18839
18.	GOA	8899
	ALL INDIA	11211645